INCOMING TELEGRAM Department of State

ACTION COPY

DECLASSIFICATION DATE 11/30/78
PER Ehrman OFFICE ARA
EADRC, EOI CASE NO. 740332

6/30/54, 12:30 p.m.
CORRECTED COPY

UNCLASSIFIED

Rec'd: June 29, 1954
4:08 a.m.

Action ARA

Info SS G SP C UNA USUN R P UOC SCS OLI CIA

FROM: Guatemala City

TO: Secretary of State

NO: 1136, June 28, 5 p.m.

DEPARTMENT OF STATE
BUREAU OF
INTER-AMERICAN AFFAIRS
JUL 1 - 1954

1

DE/R Central Files

This Document Must Be Returned To

714.00/6-2354

As I left Embassy this morning to meet with Colonels Diaz, Sanchez and Monzon, I received word they had just announced they had formed military junta contrary to agreement which we had reached last night (EMBTEL 1130, June 28).

When we met in office of Chief of Armed Forces I expressed surprise at this development and Colonel Diaz asked Colonel Monzon to explain. Monzon said he did not feel himself strong enough assume presidency alone; that resignation or dismissal of Chief of Armed Forces would cause dissension within army at time when unity was essential maintain internal order; that he had therefore requested Colonel Diaz set up junta and retain position of Chief of Armed Forces.

Colonel Diaz then emphasized his willingness to turn over presidency to Monzon but said he had yielded to latter's insistence in formation of junta. Monzon would be in charge of Ministry of Interior, thus having police under his control, and he would be in full charge of internal affairs. Diaz and Sanchez promised take no action without his approval.

Colonel Diaz went on to review Monzon's record as anti-Communist. He said that a member of (Arevalos) Cabinet, Colonel Monzon had not only spoken out against communism but had acted against it. He guaranteed support of Army to Colonel Monzon in carrying out vigorous program clean out Communists.

Colonel Diaz, who took lead in most of discussions, said junta's immediate problem was restore internal peace. He therefore renewed his request I use my influence cause Castillo Armas lay down his arms. He argued that Castillo had been fighting under banner of anti-communism; new junta was thoroughly anti-Communist; if Castillo Armas were sincere anti-Communist he would stop fighting at once. They would offer him and followers every guarantee. He could come back to Guatemala and contest presidential elections if he wished. In response to my question, Diaz said it was junta's intention proclaim general amnesty, release all political prisoners and allow those who had taken asylum in Embassies come out. Sanchez interrupted at this point to say he wished be entirely frank. At this exact moment it was not feasible

Correction Made by DC/R

7/14/54

SECRET FILED JUL 6 1954

PERMANENT RECORD COPY • This copy must be re UNCLASSIFIED notation of action taken •

REPRODUCTION FROM THIS COPY, IF CLASSIFIED, IS PROHIBITED

possible free all prisoners but that as soon as Castillo Armas matter was settled this would be done. Meanwhile, presence of Colonel Monzon in Ministry of Government was a guarantee of their safety. Monzon added, "They are all my friends." I pointed out it was necessary be realistic in this situation: Castillo Armas was in Guatemala at head of forces which had inflicted severe punishment on government troops. Hence most practical and effective way obtain peace was deal with Castillo Armas.

Talk then centered on this subject for considerable period developing no new points of view. Junta tried every argument at their command avoid a direct meeting with Castillo, although at one point they seemed be wavering on possibility of meeting with representatives of Castillo. I explained thought, however, that it was better deal with head man so that hard and fast agreements could be made.

Colonel Diaz then brought up question of recognition. I pointed out that I and my colleagues did not question good faith of junta members but that we anticipated Washington would wish consider situation for a reasonable period to see what action they would take. It was further pointed out that one of criteria for recognition is that new government be in control of territory of the country; such was not case here, where Castillo Armas controlled a portion of territory.

After considerable fruitless discussion, it was agreed that junta would consider matter alone and give me a concrete answer at 5 this afternoon.

PEURIFOY

MRM:BD/8